

## Inventory Tracker

# Days of Inventory (DOI) are Leanest Since 2003 for Semiconductors and Electronics

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### Forecast

#### Frequency, Time Period

- Monthly insights and analysis
- Quarterly data sets

#### Regions, Markets

- Global Perspective

#### Details

- Semiconductor Suppliers
- PC OEM Inventory
- Handset OEM Inventory
- Analog
- Memory
- Storage
- Fabless Semiconductor Manufacturers
- Semiconductor Foundries
- EMS Providers
- Distribution Companies
- Storage Manufacturers

### Critical Questions Answered

- Where is the inventory?
- What level of inventory is “normal”? Do actual inventory and days of inventory differ among various nodes in the supply chain?
- Are there identifiable trends with inventory and Days of Inventory?
- What areas of the supply chain are better/worse off than others?
- Should I lower prices to move inventory?
- Should I reduce/boost utilization?
- Are orders going to be fulfilled on time?

### Who Should Read This?

- All Semiconductor Supply Chain
  - C-level Strategists
  - Procurement
  - Marketing
  - Operations
  - Sales

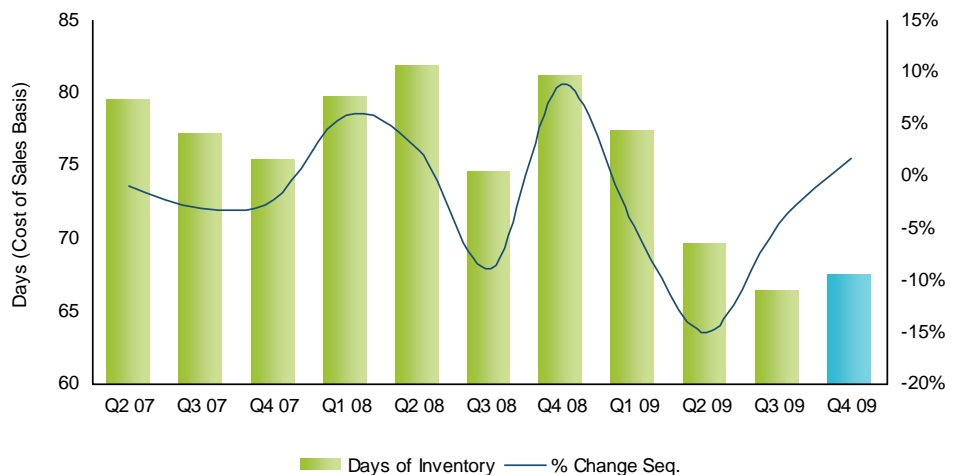
One of the most visible indicators of supply chain health is the level of inventory at the various points in the chain. At iSuppli, we begin our Q4 2009 Inventory study of the electronics supply chain at the highest level and conclude with granular analysis of ten specific nodes to help you manage your business. So what did we find?

- Days of Inventory (DOI) are leanest in a decade, for semiconductors and electronics. Shrinking demand in 1H 2009 prompted many firms to slash production, capacity and utilization, and inventory; however, many firms cut too much and ended Q309 too lean.
- Higher than expected revenue growth allowed manufacturers to increase utilization and stabilize ASPs, which in turn boosted margins and bottom line profits. It also pressured inventory down slightly, even though firms entered Q3 with plans for a modest build.

In Q409, we do not see indications of an inventory snap back. Rather, firms are planning only a modest restocking of a few percentage points back towards equilibrium.

Of course, every node is different. The finer details and implications of inventory positions at each node are discussed within this report.

Days of Inventory for Semiconductor Supplier Group



iSuppli offers absolute inventory values and comprehensive analysis of key nodes in the electronics supply chain, including PC OEMs, Mobile Handset OEMs, Analog manufacturers, EMS providers...and more.

**Lead Analyst****Carlo Ciriello, Analyst**

Carlo is charged with investigating and creating investment theses based on iSuppli's broad technological market expertise. His duties include tracking semiconductor manufacturing companies and vetting investment themes. Carlo has experience as an equity research analyst covering technology, media and telecommunications, and holds his series 7 license.

Carlo earned an MBA, with a focus on Finance, from the University of Southern California in 2008, and a BA in the Liberal Arts from Occidental College.

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**Inventory Insider**

- Bi-quarterly publication
- Examines current happenings regarding inventory, and will attempt to identify and explain the dynamic changes in the supply chain
- Quantitative and qualitative, offering synthesis born out of a financial examination of the various factors affecting semiconductor inventory.